

# *Social Security*

How You  
Earn Credits



## How You Earn Social Security Credits

You earn Social Security credits when you work in a job covered by Social Security.

During your working years, your wages are posted to your Social Security record, and you receive Social Security earnings credits based on those wages. These credits are used later to determine your eligibility for Social Security retirement benefits or for disability or survivors benefits if you should become disabled or die.

**In 1998, you receive one Social Security credit for each \$700 of earnings, up to the maximum of four credits per year.** In future years, the amount of earnings needed for a credit will rise as average earnings levels rise.

The credits you earn will remain on your Social Security record even if you change jobs or have a period of no earnings.

### *Special Rules For Some Jobs*

Special rules for earning Social Security coverage apply to certain types of work. If you have one of the following types of jobs, contact Social Security for information about how you earn credits:

- domestic work;
- farm work; or
- work for a church or church-controlled organization that has been exempted from payment of Social Security taxes.

**If you are self-employed**, you earn Social Security credits the same way employees do (one credit for each \$700 in net earnings, but no more than four credits per year). However, special rules apply if you have net annual earnings of less than \$400. For more information, call Social Security to ask for a free copy of the factsheet, *If You're Self-Employed* (Publication No. 05-10022).

**If you are in the military**, you earn Social Security credits the same way civilian employees do. You also may receive additional earnings credits under certain conditions. For more information, call Social Security to ask for a free copy of the factsheet, *Military Service And Social Security* (Publication No. 05-10017).

## Work Not Covered By Social Security

The following workers are not covered by Social Security:

- most federal employees hired before 1984 (but since January 1, 1983, all federal employees have paid the Medicare hospital insurance part of the Social Security tax);
- railroad employees with more than 10 years of service;
- employees of some state and local governments that chose not to participate in Social Security; or
- children under age 21 who work for a parent (except a child age 18 or over who works in the parent's business).

## How Many Credits Do You Need?

The number of credits you need to be eligible for Social Security benefits depends on your age and the type of benefit.

### *Retirement Benefits*

Everybody born in 1929 or later needs 40 credits to be eligible for retirement benefits. People born **before 1929** need fewer credits.

See the table below.

Year of Birth	Credits Needed
1929 or later	40
1928	39
1927	38
1926	37
1925	36
1924	35

If you work for a nonprofit organization that was mandatorily covered by Social Security starting in 1984, a special provision applies that may allow you to receive retirement benefits with fewer credits. For more information, call Social Security to ask for a free copy of the factsheet, *If You Work For A Non-profit Organization* (Publication No. 05-10027).

### *Disability Benefits*

The number of credits required for disability benefits depends on your age when you become disabled.

**If you become disabled before age 24,** you generally need six credits during the three-year period ending when your disability begins.

**If you are 24 through 30,** you generally need credits for half of the period between age 21 and the time you become disabled.

**If you are disabled at age 31 or older,** you need the number of credits shown in the following table. Also, you must have earned at least 20 of the credits in the 10 years immediately before you became disabled.

<b>Disabled At Age</b>	<b>Credits Needed</b>
31 through 42	20
44	22
46	24
48	26
50	28
52	30
54	32
56	34
58	36
60	38
62 or older	40

### *Survivors Benefits*

The family of a deceased worker may be able to get survivors benefits, even though the deceased worker had fewer credits than are otherwise needed for retirement benefits.

If you were born in **1929 or before**, one credit is needed for each year after 1950, up to the year of death, in order for your family members to collect survivors benefits.

If you were **born in 1930 or later**, one credit is needed for each year after age 21, up to the year of death.

Regardless of when you were born, your dependent children could get survivors benefits if you had six credits in the three years before your death. Their benefits could continue until they reach age 18 (or age 19 if they are attending an elementary or secondary school full time).

Your widow or widower who is caring for your children who are under age 16 or disabled also may be able to get benefits.

### *Medicare*

The Social Security credits you earn also count toward eligibility for Medicare when you reach age 65. You may be eligible for Medicare at an earlier age if you are entitled to disability benefits for 24 months or more. Your dependents or survivors also may be eligible for Medicare at age 65 or if they are disabled.

People who need kidney dialysis or a kidney transplant for permanent kidney failure may be eligible for Medicare at any age.

For more information, call Social Security to ask for a free copy of the booklet, *Medicare* (Publication No. 05-10043).

## For More Information

You can get recorded information about Social Security coverage 24 hours a day, including weekends and holidays, by calling Social Security's toll-free number, **1-800-772-1213**. You can speak to a service representative between the hours of 7 a.m. and 7 p.m. on business days. Our lines are busiest early in the week and early in the month, so, if your business can wait, it's best to call at other times. Whenever you call, have your Social Security number handy.

People who are deaf or hard of hearing may call our toll-free "TTY" number, 1-800-325-0778, between 7 a.m. and 7 p.m. on business days.

You also can reach us on the Internet. Type <http://www.ssa.gov> to access Social Security information.

The Social Security Administration treats all calls confidentially—whether they're made to our toll-free numbers or to one of our local offices. We also want to ensure that you receive accurate and courteous service. That is why we have a second Social Security representative monitor some incoming and outgoing telephone calls.



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